

Minutes of Joint Meeting
Michigan State Transportation Commission
and the
Michigan Aeronautics Commission
March 27, 2008
Lansing, Michigan

STATE TRANSPORTATION COMMISSION

Members Present:

Ted B. Wahby, Chairman
Linda Miller Atkinson, Vice Chair
James Rosendall, Commissioner
James Scalici, Commissioner
Jerry Jung, Commissioner

Also Present:

Frank Kelley, Commission Advisor
Patrick Isom, Legal Counsel

MICHIGAN AERONAUTICS COMMISSION

Members Present:

Joyce Woods, Chair
Sidney Adams, Vice Chair
James Collins, Commissioner
Dennis Fedewa, Designee
Jackie Shinn, Designee
Robert Johnston, Designee

Members Absent:

J. William Prochazka, Commissioner
Terry Everman, Commissioner
Dan Atkinson, Designee

Also Present:

Rob Abent, MAC Director
Barbara Burris, Executive Assistant

A list of all others present is attached to the official minutes.

I. OPENING REMARKS

The March 27, 2008 joint meeting of the State Transportation Commission (STC) and the Michigan Aeronautics Commission (MAC) was called to order by State Transportation Commission Chairman Ted Wahby at 9:00 a.m. He welcomed those assembled and recognized the members of the Michigan Aeronautics Commission. For the record, he asked the members of the State Transportation Commission to identify themselves.

Members of the State Transportation Commission proceeded through introductions as follows: Jerry Jung, Jim Scalici, Jim Rosendall, Linda Atkinson, Frank Kelley, Commission Advisor, and Chairman Ted Wahby.

Joyce Woods, Chair of the Aeronautics Commission, began introductions for the MAC and was followed by MAC Director Rob Abent, Vice Chairman Sidney Adams, and Commissioners Jim Collins, Dennis Fedewa, and Bob Johnston.

Chairman Woods welcomed the members of the State Transportation Commission and noted the absences of three MAC Commissioners: J. William Prochazka, Terry Everman, and Jim Atkinson. She extended a personal welcome to Gen. Bob Johnston, recently appointed as the designee for the Department of Military and Veterans Affairs.

Turning to the agenda, Chairman Wahby called on Chief Deputy Director Jackie Shinn, representing MDOT Director Kirk Steudle, to present the "Director's Report."

II. PRESENTATIONS

A. Transportation Funding Task Force

With the aid of slides, Ms. Shinn briefed the two commissions on the recently formed Transportation Funding Task Force (TF2). Her remarks are summarized as follows:

The Transportation Funding Task Force was created under Public Act 221 of 2007 to "review the adequacy of surface transportation and aeronautics service provision and finance in Michigan." The task force is charged with reviewing roads, transit and aviation in the state. MDOT staff will provide support to the task force. In addition, the task force will receive input from a Citizens' Advisory Committee (CAC).

The Governor anticipates that the task force and the Legislature will develop and support a proposal to generate enough state transportation revenue to fully utilize the current federal dollars that are available to our state while also anticipating the creation of adequate state transportation reviews to bring additional dollars to

Michigan. The Governor is working closely with Washington on this effort.

Ms. Shinn outlined the calendar of events established by the legislation: On February 1, 2008, the Governor named the citizen members of the task force and leaders of the House and Senate named legislative members. Legislative members include Senators Glenn Anderson and Judd Gilbert as well as Representatives Pam Burns and Phil LaJoy.

On March 1st, MDOT recommended a work program to the task force. The committee has been asked to publish its preliminary data, findings and recommendations by October 31st, 2008, as well as make recommendations on any pilot programs. If on October 1st the recommendations include changes in the funding distribution formulas, public hearings will be held. Ms. Shinn noted that the entire process is expected to be completed within 10 months; that a similar process, undertaken in 1999, took almost two years. It is anticipated that these proposed recommendations will be brought forward to the two commissions for approval.

Ms. Shinn deferred to Tim Hoeffner of the MDOT Planning Division for further comment on the activities of the task force.

With the aid of PowerPoint, Mr. Hoeffner briefed the two commissions, paraphrased as follows:

Mr. Hoeffner highlighted the duties of the task force: To review strategies for maximizing the return on current transportation investments; evaluate potential alternative strategies to replace or supplement the existing state motor fuel taxes, existing registration and other alternative revenue fees and nonuser revenues. Concurrently, the task force will examine how to support economic activity and personal mobility in Michigan.

The primary focus of the task force will be to examine alternatives to the fuel tax; and, in particular, to analyze the feasibility of those and suggest or recommend alternative user fees or nonuser taxes as well as pilot programs (by October 31st).

At the first meeting of the TF2 in March, co-chairs were elected; Richard Studley, representing the Michigan Chamber of Commerce, and Dennis Gillow, representing the operating engineers union. A schedule of meetings and a work plan were approved. Mr. Hoeffner noted a significant change to the work plan at the first meeting: frontloading the process with a focus on the issue of funding at both the state and federal levels.

At the first meeting of the Citizens' Advisory Counsel (CAC) in March, Gretchen

Driskell, the Mayor of Saline and representing the Michigan Municipal League, was voted in as chair and subcommittees were established: Aviation; Intermodal Freight; Intermodal Passenger; and Highway, Road and Bridge. The first meeting of the subordinate teams is scheduled for Friday, April 4, 2008. Meetings will be held each month across the state to allow for public comment.

The department has created a website where all information pertaining to the task force may be accessed: www.michigan.gov/tf2. In addition, those interested may provide comment to the TF2 or the CAC at MDOT-TF2@michigan.gov.

Mr. Hoeffner entertained questions and/or comments.

As an aside, Director Abent noted that the Bureau of Aeronautics and Freight Services has appointed staff of the bureau to work closely with the TF2 specifically on freight and aviation issues. The bureau will be represented on these committees by Nicki Johnson of Rail Freight and Matt Brinker of Aeronautics.

There being no questions of Mr. Hoeffner, Chairman Wahby called on Stuart Lindsay to present the next item on the agenda.

B. 2008 MASP Update

With the aid of PowerPoint, Stuart Lindsay of the Policy Division, Bureau of Transportation Planning, briefed the commissions on the 2008 Michigan Airport System Plan (MASP 2008). His remarks are summarized as follows:

The MASP 2008 is the primary planning tool for airport services extending to the year 2030. Mr. Lindsay was joined at the podium by Rick Hammond, Airports Division Administrator.

Over the course of the past several months, a team of approximately 20 individuals from the Bureaus of Transportation Planning and Aeronautics have been going through the MASP 2000 section by section, page by page, to update text, charts, maps, and projections out to the year 2030. A Stakeholders' Steering Committee has been created, led by Aeronautics Commissioner James Collins. The steering committee, comprised of experts from the aviation/aeronautics industry, local governments, pilot organizations, and others, have provided an objective set of eyes with regard to the document and have offered great insight. Already, three productive meetings have been held. The goal of the committee is to deliver a final document to the Aeronautics Commission for approval no later than July 2008, if not sooner.

Mr. Lindsay recognized the members of the various subcommittees involved in the update.

(Proceeding through slides): Michigan has 488 landing facilities (235 public use); 18,610 active pilots; 7,400 registered aircraft; 30 scheduled airlines; 6 aircraft manufacturers; 131 aircraft/component repair stations; and 6 military aviation facilities. Mr. Lindsay observed that aviation is truly an important element of the transportation system in Michigan.

Mr. Lindsay deferred to Rick Hammond to expand on the operational elements of the plan.

Airports Administrator Rick Hammond emphasized that the MASP, last updated in 2000, will be used by the Bureau of Aeronautics and Freight Services as an asset management tool in reviewing the current aviation infrastructure to try to determine, at a system level, how best to invest in that infrastructure. He observed that most of the state's 235 public use airports are owned by someone else; that by virtue of the state being classified as a block grant state, in the eyes of the local airport sponsors, for all practical purposes, MDOT is the FAA. Requests from the sponsors are compared with the federal system requirements and priorities and dovetailed with the state's system requirements and priorities in order to make the best investment of aviation funds. The document is a long-term planning document that closely aligns with the MI Transportation Plan. The plan is a living document; it will undergo review at least every five years to keep it fresh.

Added focus has been placed on activity centers in Michigan. Whereas, the MI Transportation Plan talks about activity centers in general, the MASP breaks this down into several different goals: the ability to serve significant population centers, business centers, significant tourism/convention centers, provide the general population access to the aviation system, provide adequate land area coverage, preserve regional capacity and serve isolated areas.

Mr. Hammond shared a slide depicting key modifications to the plan: airport system description and goal development; airport facility goals and development standards; forecast of future activity updates; and the relationship to the MI Transportation Plan. Mr. Hammond noted that small aircraft, general aviation operations are on the decline. Positive growth has been reported in business aviation and commercial passenger activity. Aviation, he noted, is increasingly important to the transportation infrastructure.

After reviewing the seven system goals, airports were classified into three tiers. Tier 1 airports (88) respond to essential/critical state airport system goals and

objectives. Tier 2 airports (22) complement the essential/critical state airports and/or respond to community needs. Tier 3 airports duplicate some of the services provided by the Tier 1 and Tier 2 airports and/or respond to specific needs of individuals and/or small businesses. In today's economy, there is not enough money to meet all the needs or requests that come in to the bureau. Emphasis is placed on making sure that facility goals are met at the Tier 1 airports first, followed by Tier 2. If any money is available after that, attention is given to the Tier 3 airports.

Mr. Hammond elaborated on the facility goals that have been developed. For every airport facility that serves each type of activity center, a review is made of the primary runway system; pavement conditions, lighting and visual aids; approach protection; basic pilot and aircraft services; all-weather access; year-round access; and landside access/surface connectivity.

Mr. Hammond summarized Facility Goals Compliance Rates. Progress has been made with regard to the primary runway system goals. The current rate of attainment is at 76 percent, an increase from 63 percent in 2000. Pavement conditions are at 82 percent, up from 60 percent. Lighting and Visual aids are at 81 percent, from 77 percent; and approach protection at 100 percent attainment, from 24 percent in 2000.

At the Tier 1 airports, basic pilot and aircraft services are at 76 percent, the same as in 2000; all-weather access attainment is at 70 percent, up from 51 percent in 2000; year-round access is at 94 percent attainment, the same as in 2000; and landside access attainment is at 88 percent, up from 58 percent in 2000.

Mr. Hammond shared a slide depicting the MASP's relationship to the MI Transportation Plan 2030.

A draft document of the MASP 2008 is anticipated to be completed and submitted for Commission approval later this year.

Mr. Hammond entertained questions from the Commissioners.

MAC Chair Joyce Woods highlighted the importance of the document. She recited the difficulties in trying to establish an airport in Paradise, Michigan. She observed that just as in the case of roads, airports are necessary to the transportation network, and having an understanding of priorities and strategies is critical to the funding process.

Commissioner Atkinson, advising of her position on the Citizens' Advisory Counsel, representing the public at large, declared the report an aid to the

members of the subcommittee who are charged with identifying needs and funding sources. Noting the report does not differentiate between the tiers with respect to facility goals, she queried whether there are different goals for each tier.

Mr. Hammond explained that the percentages noted with respect to attainment refer primarily to the Tier 1 airports.

Commissioner Atkinson noted that Minneapolis-St. Paul is adding a fourth runway. She queried whether the attainment figures cited for primary runway systems (76 percent, up from 63 percent) included a particular goal or concept as relates to specific airports.

Mr. Hammond responded that when examining for adequate primary runway systems, you focus on many factors: appropriate lighting, appropriate runway length for the type of aircraft, the system of taxiways, and so forth. In Michigan, excluding the large hub airports, when discussing adequate primary runway systems, it refers to one runway.

Commissioner Atkinson continued. Referencing the Gerald R. Ford International Airport, she inquired whether the attainment figure reflected whether the airport should have an additional runway or not, or whether it refers to the condition of the present runway configuration.

Mr. Hammond clarified that the document does not specifically address capacity; that when sponsors come to the bureau with a project, it requires adherence to the federal guidelines. FAA provides the justification for parallel runways, parallel taxiways, crosswind runways, et cetera. He observed that the State of Michigan is not in a position to fully fund a new runway; the project would therefore be a federal/state/local project.

Mr. Baker interjected that the federal government has corresponding capacity attainment data for the larger, commercial service airports. The MASP 2008 is weighted more toward the needs of the general aviation airports. When considering the larger, commercial service airports, such as Detroit Metro and Gerald R. Ford International, you would have to look at the federal documents (available upon request).

Commissioner Atkinson clarified that Detroit Metro Airport, although significant, was not the focus of her question; rather her concern was for a large segment of the population that is underserved. She inquired whether emergency services were taken into account in the plan.

Mr. Hammond responded. As with charter services, emergency services are not specifically addressed in the plan. However, the Aeronautics Commission has adopted an “island policy,” which focuses on emergency services and access to remote/isolated areas. The document does not address, per se, the operational aspects of the airports.

MAC Director Abent recognized the attendance of Jim Koslosky, Executive Director, Gerald R. Ford International, and asked that he be allowed to provide additional insight.

Mr. Koslosky advised that the aviation system is an integrated and overlapping planning process, with the federal government (US DOT and FAA) at the top; the state level, where system planning occurs; and the local level. At the local level, the airport completes a 20-year Master Plan that specifically addresses capacity issues, intermodal issues, connectivity, and passenger and aviation activities. As the Master Plan is updated (for GRR, in 2004), the update includes forecasts. These forecasts have to be approved by the FAA to make sure they dovetail with what the FAA believes will happen in the future. There is coordination with the state, as well. So each element in all the master plans is integrated, connected and coordinated at every level.

V. PUBLIC COMMENT

Chairman Wahby opened the floor for public comment.

Chairman Woods called on Susy Heintz Avery, Director, State Government Relations, Wayne County Airport Authority.

Prior to her remarks, Ms. Avery introduced the new director of the Willow Run Airport, Mr. David DiMaria, seated in the audience. She advised that former director Sean Brosnan had taken the position formerly held by Mr. DiMaria as the Director of Emergency Management for Metro Airport as part of a cross-training effort.

Ms. Avery distributed copies of the Preferred Development Plan to Detroit Metropolitan Wayne County Airport, including a document titled *Frequently Asked Questions*.

Ms. Avery indicated that a study conducted by the University of Michigan-Dearborn found that Detroit Metro Airport has a greater than \$7 billion impact on the State of Michigan and provides more than 71,000 jobs statewide. Over 18,700 people are employed directly on airport property, resulting in a payroll of nearly \$1.6 billion each year. In 2007, more than 37 million passengers went through the airport. Using FAA projections, by the year 2025 the number of passengers will increase to approximately 52 million. With that in mind, the airport embarked on a 20-year plan.

A new, independent fifth parallel runway (a runway that is at least 4,300 feet from the existing runway complex) will be required in order to meet the anticipated demand and is included in the plan. A technical advisory committee has been created and six workshops for citizens have been held. Officials from the surrounding communities have been instrumental in the development of the proposed master plan from the beginning of the planning process. Plans for the construction of a fifth parallel runway have been met with some resistance, including that of Northwest Airlines, Michigan's largest air carrier. The cost of the project is anticipated to be \$3.2 billion, and will be funded through a variety of funding methods. The airport makes use of "customer satisfaction surveys" every quarter. Once the North Terminal opens, that number will increase to 1000 every quarter.

Ms. Avery extended an invitation to the Commissioners to attend the North Terminal opening ceremony, scheduled for September 18.

Piggybacking on comments made by Mr. Koslosky, Ms. Avery added that Metro Airport officials believe that airports should be funded through the MDOT budget and not tied to the budget for schools and universities.

Chairman Woods thanked Ms. Avery and opened the floor for questions.

Commissioner Atkinson congratulated airport officials for their tremendous ability to stay "on top of the curve." She cited a widely held belief that one of the reasons for congestion and schedule delays at hubs has to do with regional jet traffic.

Ms. Avery responded by saying that the majority of delays are primarily related to weather.

Mr. Koslosky offered that Michigan has been a leader in planning and airport development; that as a result, there are no airports in the state with capacity issues. In the case of Grand Rapids, based on forecasts, the airport will have adequate capacity for the next 30 years. He observed that Detroit is likely in the same position; that this is universal for the state. Canceled and delayed flights to Grand Rapids, he observed, are not the fault of the airport; rather they are caused by the top 20 airports in the country that are at capacity and really have nowhere to go. He advised that in the future, due to these top 20 passenger-constrained regions (New York, Chicago, LA, Houston, and so forth), you will see more development at these secondary airports.

Commissioner Atkinson stated that that was exactly the point of her question. She thanked Mr. Koslosky.

Ms. Avery reiterated her invitation to the Commissioners to tour the new North Terminal

and participate in opening festivities.

Chairman Woods echoed statements made by Mr. Koslosky. She agreed that capacity demand is so high at the bigger airports that it overflows to the next stage and creates a cascading effect. She thanked Ms. Avery and Mr. Koslosky for their input.

Chairman Wahby proceeded to conclude the joint meeting. He thanked the members of the Aeronautics Commission and the audience for their participation.

MAC Director Abent announced that the Aeronautics Commission would reconvene for its regular meeting at 10 a.m.; that the STC would meet simultaneously in the Commission Conference Room on second floor.

The joint meeting of the Michigan Aeronautics Commission and the State Transportation Commission adjourned at approximately 9:50 a.m.

Director

Chairman

Dated: _____